Name of Auditee (Report Issue Date)		Summary of Findings	Status/Comments
Third Party Administration of Long Term Care Program (Long Term Care Group) (9/24/04)	2.	The Long Term Care Group should convert to the new Financial Management System.	IN PROGRESS. The Long Term Care Group has not yet converted to the new Financial Management System.
Review of Kaiser Foundation Health Plan, Inc. (8/22/05)	1.1	Kaiser should modify the Medicare eligibility report used by CalPERS staff to research and validate Medicare eligibility.	COMPLETE. Changes to the Kaiser Summary Tracking File have been completed to include more useful information and to eliminate data that should be archived.
	1.2	Some of the worksheets transmitted from Kaiser to Health Benefits Branch include information that is no longer useful, and some field parameters may need to be modified. Kaiser should work with the Health Benefits Branch on modifying field elements in the report, as needed. In addition, Kaiser should consider archiving the historical data and submit only the more relevant monthly data.	COMPLETE. Changes to the Kaiser Summary Tracking File have been completed to include more useful information and to eliminate data that should be archived.
Review of Blue Cross of California (09/29/06)	1.	Blue Cross does not follow up with a telephone call if the member has switched plans one month prior to the member's birthday as required by the contract and as outlined in Blue Cross' procedures manual.	COMPLETE. Employer and Member Health Services has verified that The contract between CalPERS and Blue Cross has been amended to reflect Blue Cross' responsibilities for notifying Medicare eligible members.
	3.1	Our review of the behavioral health cases revealed that non-CalPERS members may be included because there were not enough cases to meet the performance measure.	COMPLETE. Blue Cross reports behavioral health case reviews are specific to CalPERS members and reports the performance measure results to CalPERS as required.
	8.1	The design of the audit activities report does not allow for sufficient analytical comparisons to the Monthly Recovery report. This additional step would allow CalPERS to ensure that recoveries through the audit are credited back to CalPERS.	COMPLETE. Blue Cross modified the Hospital Bill Audit Report to reconcile amounts recovered to the Monthly Recovery report.

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Review of Blue Cross of California (09/29/06) (continued)	14.1 The Third Party Liabilities and Workers' Compensation Liens, Hospital Bill Audit, and fraud recoveries could not be tied back to the supporting documentation provided for the Administrative Service Bill.	COMPLETE. Health Benefits Branch coordinated with Blue Cross to ensure reports provided identify recoveries and overpayments.
Review of Long Term Care Group, Inc. (6/15/07)	3.1 Long Term Care Group did not meet some of the performance goals for two or more consecutive months in application processing. The methodology used by Long Term Care Group resulted in an understatement of its actual performance. We recommend Long Term Care Group work with Health Benefits Branch on resolving issues related to the performance standards.	COMPLETE. Long Term Care Group implemented a tracking report to track the status of an application prior to assigning a policy number. The scorecard was updated to reflect the corrected information and penalties were credited on the December 2007 TPA invoice.
	3.2 Long Term Care Group only reported the percentage of claim inquiries completed between 11 to 15 days rather than all claim inquiries processed within 15 days. The methodology used consequently caused Long Term Care Group to understate its actual performance.	COMPLETE. The score sheet was updated with the corrected information and explanations were provided in the monthly reporting package.
	3.3 Long Term Care Group will correct the scorecard to reflect total percent of claims processes within 15 working days. Long Term Care Group understated the performance due to the methodology being used to determine the percentage.	COMPLETE. The score sheet was updated with the corrected information and explanations were provided in the monthly reporting package.
	3.4 Long Term Care Group has one month that is subject to penalty for not responding to member inquiries within the 10-day turnaround requirement.	COMPLETE. Updated tracking information was provided in Long Term Care Group's updated audit response of September 2007. Additionally, a complaint acknowledgement letter has been implemented. The complaint acknowledgement letter is sent within five business days of complaint receipt notifying complainant that a full response will be sent within 30 days.

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(Report Issue Date) Review of Long Term Care Group, Inc. (6/15/07) (continued)	3.5 CalPERS found that there is no methodology explicitly stated in the agreement as to how the performance standards should be calculated. We believe the methodology used by Long Term Care Group to report the measures appears reasonable, except for the application and claims processing goals.	COMPLETE. Explanations were provided and penalties calculated and credit was provided to CalPERS in September 2007.
	4.1 Measurements are taken from the system's morning queue and transferred to an Excel spreadsheet; however, the reports generated to create the spreadsheet are not retained. Therefore, the accuracy of the reports could not be validated.	COMPLETE. Development of the report is completed. Reports are retained per the document retention policies in the administrative agreement.
	4.2 An area of measurement is for Long Term Care Group to process 95 percent of requests for determination of activities of daily living dependency within 10 days. Long Term Care Group overstated the performance by one to five percent in three out of four months sampled.	COMPLETE. Quality processes have been implemented and reviewed with claims staff. The scorecard was corrected.
	4.3 An area of measurement is for Long Term Care Group to process 95 percent of initial care plans after verifying activities of daily living dependency within 10 days. Long Term Care Group overstated the performance by two to five percent in three out of four months sampled.	COMPLETE. A total of 112 Initial Care Plans were completed. One hundred percent were processed within 10 business days for the month of June 2008. The scorecard was updated to reflect corrected information.
	4.4 An area measurement is for Long Term Care Group is to process 95 percent of claim inquiries within 10 days. Long Term Care Group overstated the performance by 0.4 to 3 percent in three out of four months sampled.	COMPLETE. Long Term Care Group has implemented additional senior level management sign offs on the scorecard numbers and one owner of the scorecard and the sign offs are documented in e-mails that can be obtained in necessary. One copy of the sign-offs by the claims department was sent.

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Review of Long Term Care Group, Inc. (6/15/07) (continued)	4.5 We found variances in three out of four months sampled. One month, Long Term Care Group performed better than reported and understated its performance by 2.5 percent. In another month, Long Term Care Group reported 100 percent, instead of not applicable due to zero inquiries in the respective month. For the third variance identified, Long Term Care Group reported not applicable, when the performance should have been 50 percent.	COMPLETE. Compliance has reiterated the importance of a timely turnaround and accurate logging to the scorecard according to the register of when a complaint is received at Long Term Care Group and when it went out to CalPERS for review and approval. Additionally, a complaint acknowledgement letter has been implemented to acknowledge receipt of complaint and inform complainant that a full response will be provided within 30 days.
	4.6 An area of measurement is to answer 90 percent of calls in less than 60 seconds. In this measurement Long Term Care Group performed better than reported and understated performance by 0.6 to 2.4 percent.	COMPLETE. The monthly scorecard is reviewed for accuracy by the Customer Services Director. The monthly customer service standards are reviewed for quality and signed off by Long Term Care Group management staff prior to sending to CalPERS monthly.
	4.7 An area of measurement is to have a call abandonment rate less than 5 percent. We found that Long Term Care Group performed better than reported and understated performance in all four months by .05 to .68 percent.	COMPLETE. The monthly scorecard is reviewed for accuracy by the Customer Services Director. The monthly customer service standards are reviewed for quality and signed off by Long Term Care Group management staff prior to sending to CalPERS monthly.
	4.8 Customer service statistics are only retained for 387 days due to a Long Term Care Group system limitation. The existing retention period may cause future difficulty to support performance reported to CalPERS, particularly because the audit provision of the agreement allows for an audit to be conducted during and for three years after the term of the agreement.	COMPLETE. Long Term Care Group has upgraded its phone system to store data for the following time periods: Daily information - 3 years; Weekly information - 10 years; Monthly information - 10 years.

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Review of Long Term Care Group, Inc. (6/15/07) (continued)	6.1 CalPERS reviewed Long Term Care Group's return mail procedures and found that Long Term Care Group attempts to contact the member based upon the information on file. If the post office affixes a forwarding address label, the written procedures provide that Long Term Care Group is to send a change of address form to the new address to confirm the change.	COMPLETE. Long Term Care Group is working with CalPERS and PSR project to develop data feeds that will be sent from CalPERS to Long Term Care Group updating demographic information.